

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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GLUCO PERFECT, LLC, U.S. HEALTH & HOME	:
CARE, INC., and JOY MERNONE, Individually and in	:
her capacity as Executor of the Estate of Kevin R.	:
Mernone, and derivatively on behalf of PERFECT CARE,	: Index No.:
INC.	:
	:
Plaintiffs,	:
	:
- against -	:
	:
PERFECT GLUCO PRODUCTS, LLC, USHH	:
PRODUCTS, INC., FRANCINE FREIMAN, WILLIAM	:
J. GILLEN, ANDRE RAMNAUTH and JOHN AND	:
JANE DOES 1 THROUGH 10,	:
	:
Defendants.	:
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STATE OF NEW YORK	)	
	)	ss.:
COUNTY OF NASSAU	)	

MICHAEL J. GARIBALDI, CPA/ABV/CFF/CGMA, being duly sworn,  
deposes and says:

1. I am the President and CEO of Israeloff, Trattner & Co., CPAs, PC (The “Firm”), a firm of certified public accountants and related professionals maintaining offices at 1225 Franklin Avenue, Garden City, New York 11530 and 450 Seventh Avenue, New York, New York 10123. Accredited in Business Valuation (ABV) and Certified in Financial Forensics (CFF), I am a certified public accountant (CPA), and recognized as a Chartered Global Management Accountant (CGMA) by the American Institute of Certified Public Accountants and Association of International Certified Public Accountants. I am the officer in charge of the Firm’s Law Firm Services, Forensic Accounting, Litigation and Valuation Consulting Group. A portion of our practice is devoted to providing forensic accounting expertise in business matters. A copy of my

curriculum vitae is annexed (Exhibit A) hereto setting forth my qualifications as an expert for this type of engagement.

2. I have frequently been called upon to testify and provide expert opinion in matters involving forensic accounting. I have been qualified as an expert witness on accounting and valuation matters in the New York State Supreme Courts of Nassau, Suffolk, Kings, Orange, Richmond, Westchester and New York counties, the New Jersey State Supreme Court of Monmouth County, and have been called-upon by the courts to serve as a neutral Expert. I have lectured extensively on the subjects of accounting, fraud, management, litigation and valuation matters, and have taught my specialty to other professionals. I have extensive experience in forensic accounting matters, fraud, and fraud audits, including the disposition and whereabouts of hidden assets. I have valued many closely held businesses for the purposes of acquisition, sale, estate tax and estate planning, buy/sell agreements, shareholder litigation, financial planning, arbitration and equitable distribution. I have been retained as an expert to investigate, appraise and value the minority and controlling interests in closely held businesses in the aforementioned counties.

3. Additionally, I am a member of the American Institute of Certified Public Accountants (AICPA), the New York State Society of Certified Public Accountants (NYSSCPA), the NYSSCPA-Nassau Chapter, the Institute of Business Appraisers (IBA) and a candidate member of the American Society of Appraisers (ASA). I am also a past-President and a past-member of the Board of Directors of the NYSSCPA-Nassau Chapter, past-Chairman of the NYSSCPA-Nassau Chapter Litigation Support Committee, and a past-member of the American Institute of Certified Public Accountants Business Valuation and Appraisal Subcommittee. I have been a guest speaker and lecturer at various conferences and seminars on issues pertaining to fraud, forensics and business valuation, including the AICPA Certificate of Educational Achievement in Business Valuation, where I taught my specialty to other professionals. I have participated in and attended many seminars and lectures on fraud, forensics and business valuation.

4. At the request of Plaintiff Joy Mernone herein, I have examined the Statements of Profit or Loss from Business, Schedule C, Form 1040, regarding Gluco Perfect LLC for the calendar tax years of 2010, 2011 and 2012.

5. I have also reviewed the monthly bank statements of Gluco Perfect LLC's Chase Bank account number 000151113278565 for the time period of October 1, 2011 through October 31, 2013. During that time period, commencing with the date of October 19, 2012, and continuing through October 31, 2013, I noted seventy-two (72) separate checks from Gluco Perfect LLC made payable to "Perfect Gluco Products, LLC." Based on my discussions with Joy Mernone, it is my understanding that the signature on each of the seventy-two (72) checks is not Kevin Mernone's signature. The sum total of these seventy-two (72) checks, representing monies withdrawn from the Gluco Perfect, LLC account, amounts to Two Million Five Hundred Sixty Thousand One Hundred Eighty Dollars and Seventy-Nine Cents (**\$2,560,180.79**). Attached hereto and made a part hereof is a schedule listing the Check Number(s), Date(s), and Amount(s) of each Gluco Perfect, LLC check to payee "Perfect Gluco Products, LLC" (Exhibit B).

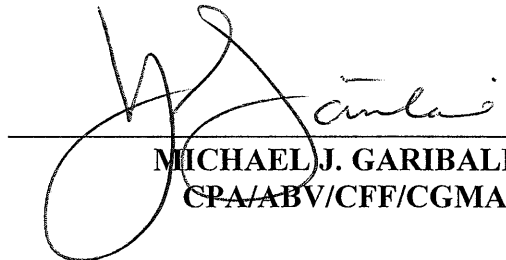
6. I have also reviewed the monthly bank statements of US Health and Home Care, Inc.'s Chase Bank account number 000151013810365 for the time period of January 1, 2011 through January 3, 2014. During that time period, commencing with the date of October 19, 2012, and continuing through October 7, 2013, I noted fifteen (15) separate checks from US Health and Home Care, Inc. made payable to "USHH Products, Inc.". Based on my discussions with Joy Mernone, it is my understanding that the signature on each of the fifteen (15) checks is not Kevin Mernone's signature. The sum total of these fifteen (15) checks, representing monies withdrawn from the US Health and Home Care, Inc. account, amounts to Twenty One Thousand Nine Hundred and Eleven Dollars and Sixty Three Cents (**\$21,911.63**). Attached hereto and made a part hereof is a schedule listing the Check Number(s), Date(s), and Amount(s) of each US Health and Home Care, Inc. check to payee "USHH Products, Inc." (Exhibit C).

7. I have noted upon review of the aforementioned records that on the dates of October 3, 2013, October 9, 2013 and October 17, 2013, there were electronic online transfers to the Perfect Care, Inc. Chase Bank account number 463501002165 in the total

amount of Seventy Thousand Dollars (\$70,000.00) made from the US Health and Home Care, Inc.'s Chase Bank account number 000151013810365.

8. I have also reviewed the monthly Chase Bank statements for Kevin R. Mernone's Chase Bank account number 000849000837865 for the time period of August 20, 2013 through October 18, 2013.

9. I have noted upon review of the aforementioned records that on the dates of October 9, 2013, October 11, 2013 and October 15, 2013, there were electronic online transfers to the Gluco Perfect LLC Chase Bank account number 000151113278565 in the total amount of Twenty Six Thousand Eight Hundred Dollars (\$26,800.00) made from Kevin R. Mernone's Chase Bank account number 000849000837865.



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MICHAEL J. GARIBALDI  
CPA/ABV/CFF/CGMA

Sworn to before me this 12  
day of March, 2014



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NOTARY PUBLIC

ELAINE P. SCHROECK  
Notary Public, State of New York  
No. 01SC6113566  
Qualified in Suffolk County  
Commission Expires August 2, 2016